



Review of Mandatory Obligations on Health Insurers

Status of Review



The following highlights the status of the review of identified mandatory obligations on health insurers required by Utah Code Ann. § 36-12-5(2). This is not a comprehensive analysis of the specific reviews which have been or will be conducted. For further information, please contact the Office of Legislative Research and General Counsel.

Summary of Statutory Requirements:

- Subject to the direction of Legislative Management, the Business and Labor Interim Committee and the Health and Human Services Interim Committee are to identify and review mandates in Title 31A, Insurance Code, on health insurers:
 - with respect to coverage, benefits, and providers;
 - that have been in effect for 5 years and not reviewed within 10 years; and
 - to determine whether the mandates should be continued, modified, or repealed.
- The review shall include:
 - estimated fiscal impact of the provision on state and private health insurance; and
 - the purposes and effectiveness of the provision.
- Mandates enacted before July 1, 2000 are to be reviewed by November 30, 2005.
- Mandates enacted after July 1, 2000 are to be reviewed on the fifth year after enactment.

2003 Plan for Reviews:

The chairs of the Business and Labor Interim Committee and the Health and Human Services Interim Committee outlined for Legislative Management a plan for conducting the reviews of mandates required to be completed by November 2005. The plan included the following.

- The expertise of the Department of Insurance would be used to complete the reviews.
- The Health and Human Services Interim Committee would complete as many reviews as possible within the existing budget of the Department of Insurance.
- The Health and Human Services Interim Committee would forward the results of the review to the Business and Labor Interim Committee.

Mandates Identified by Health and Human Services as of 2001:

- As of May 23, 2001, the Health and Human Services Interim Committee had identified 25 mandates affecting coverage, benefits, or providers. The 25 mandates include:
 - state mandates
 - federal mandates.
- Of the mandates:
 - 3 have been studied
 - 2 studies are underway.

REVIEWS CONDUCTED BY THE HEALTH AND HUMAN SERVICES COMMITTEE		
Mandate	When Studied	Results of Review
Diabetes (Utah Code Ann. § 31A-22-626)	2003 Interim	Repeal of Repeal Date
Minimum adoption indemnity benefit (Utah Code Ann. § 31A-22-610.1)	2003 Interim	H.B. 85 (2004 G.S.) increasing indemnity benefit and making other changes
Catastrophic coverage of mental health conditions (Utah Code Ann. § 31A-22-625)	2004 Interim	No action to date

CURRENT STUDIES	
Mandate	Status (April 2006)

Dependent coverage to age 26 (Utah Code Ann. § 31A-22-610.5)	developing methodology
Dietary products for inborn metabolic errors (Utah Code Ann. § 31A-22-623)	some preliminary data collected

MANDATES IDENTIFIED AS OF 2001 BUT NOT REVIEWED*	
Mandate	Year Passed
COVERAGE	
1. Dependent coverage from the moment of birth or adoption (Utah Code Ann. § 31A-22-610)	1975
2. Standards established by the insurance commissioner for the manner and content of policy provisions (Utah Code Ann. § 31A-22-605)	1979
3. Preexisting conditions (Utah Code Ann. § 31A-22-605)	1979
4. Conversion privileges for an insured former spouse (Utah Code Ann. § 31A-22-612)	1979
5. Extension of policy for a dependent child with a disability (Utah Code Ann. § 31A-22-611)	1985
6. Medicare supplemental insurance, including preexisting conditions provision (Utah Code Ann. § 31A-22-620)	1992
7. Individual and small group guaranteed renewability (Utah Code Ann. § 31A-30-107)	1994
8. Coverage through a noncustodial parent (Utah Code Ann. § 31A-22-610.5)	1995
9. Open enrollment for child coverage ordered by a court (Utah Code Ann. § 31A-22-610.5)	1995
10. Small group portability and individual guaranteed issue (Utah Code Ann. § 31A-30-108)	1995
11. Individual and small group limit on exclusions and preexisting conditions (Utah Code Ann. § 31A-30-107)	2000
BENEFITS	
12. Pediatric vaccines - level of benefits (Utah Code Ann. § 31A-22-610.5)	1995
13. Basic health care plan in individual market (Utah Code Ann. § 31A-30-108,109)	1995
14. OB/GYN as primary care physician (Utah Code Ann. § 31A-22-624)	1998
15. Maternity stay minimum limits (Utah Code Ann. § 31A-22-610.5)	2000
16. Preauthorization of emergency medical services (Utah Code Ann. § 31A-22-627)	2000

17. Standing referral to a specialist (Utah Code Ann. § 31A-22-628)	2000
18. Mastectomy provisions (Utah Code Ann. § 31A-22-630)	2000
PROVIDERS	
19. Preferred provider contract provisions (Utah Code Ann. § 31A-22-617)	1985
20. HMO payments to noncontracting providers in rural areas (Utah Code Ann. § 31A-8-501)	1997

* Other mandates may be identified in Title 31A, subject to the definition of a mandate.

Example Issues Who could conduct the studies

Related to Study Plan:

- Interim Committee staff
- The Auditor General, with approval of the Legislative Audit Subcommittee
- The insurance and health care industries
- The Department of Insurance
- Actuaries or other consultants
- Others or a combination of those listed above

Cost of the studies

- Depends on the methodology and level of detail

Review of the statute

- Overall approach
- Role of the Legislature
- Legislative committees involved
- Technical issues, e.g., structural five-year gap in statute
- Other

Identification/Prioritization of mandates

- Criteria for selecting mandates